



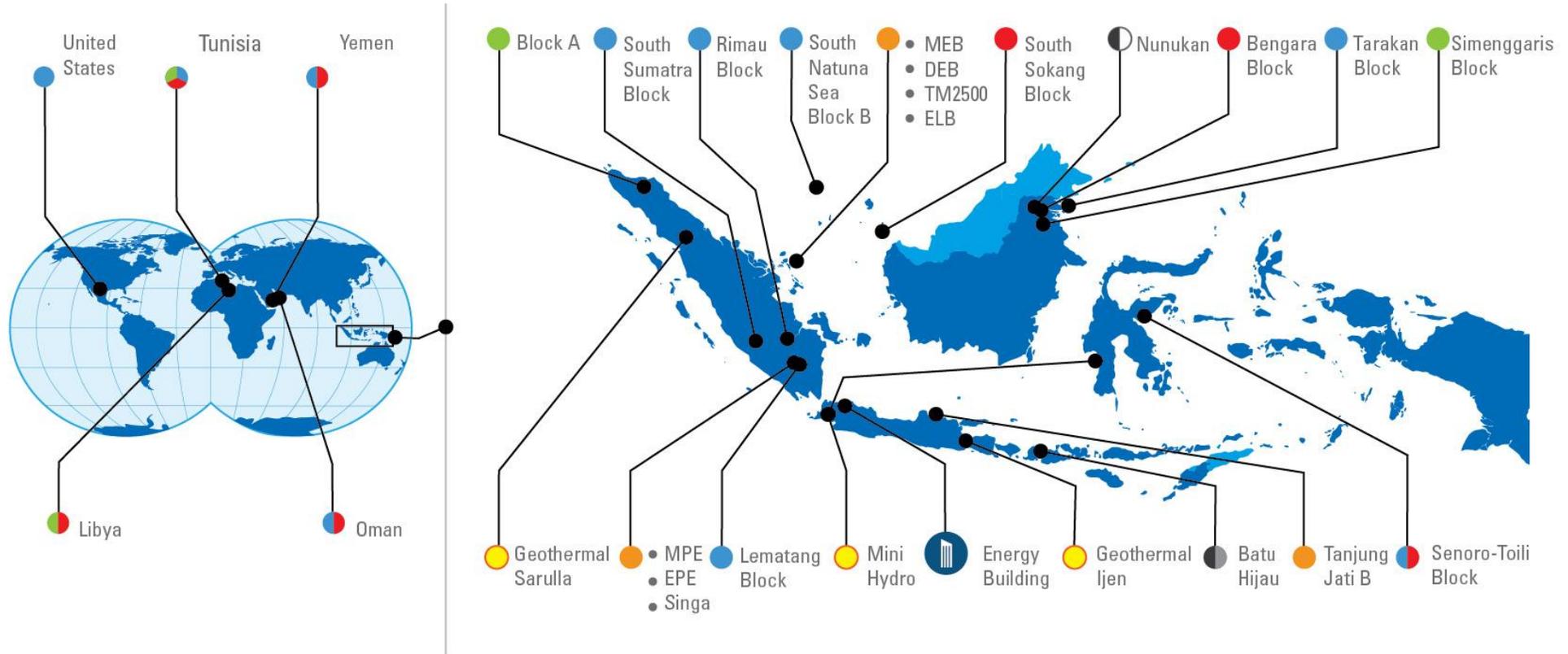
**1017 Audited Results**  
**Delivering Value**  
**MEDCOENERGI** 



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# Introduction: Operations in three Key Business Segments, concentrated in Indonesia

MedcoEnergi is a publicly listed, integrated energy & natural resources company with significant interests in Mining and Power Generation alongside its core Oil & Gas Exploration & Production activities in Indonesia, Middle East, North Africa and the US.





**President Director**  
Hilmi Panigoro



**Director**  
**Chief Executive Officer**  
Roberto Lorato



**Director**  
**Chief Financial Officer**  
Anthony Mathias



**Director**  
**Chief Human Capital &  
Business Support**  
Amri Siahaan



**Director**  
**Chief Operating Officer**  
Ronald Gunawan

2016 was a transformational year for MedcoEnergi in which we seized opportunities to acquire strategic producing assets. During 1Q17 we focused on extracting maximum value for our new and existing asset portfolio.

Our strategy is building a leading company across three key business segments, competitive in a low price environment, with a solid platform of producing assets and excellent growth prospects.

Our new, more diversified asset portfolio, together with the progress we have made on efficiency, reliability and discipline on capital and costs positions MedcoEnergi as a very attractive and dependable investment proposition for the long term.

We aim to deliver long-term value and optimize returns to our investors, lenders and other stakeholders through continuous improvements in operational and financial performance.

1980

Established as Meta Epsi Pribumi Drilling Company

1994

**Initial Public Offering** in Indonesia

1995

Acquired 100% shares of Stanvac Indonesia from Exxon/Mobil

1996

Discovered **largest onshore oil reserves** (Kaji-Semoga)

2005

Awarded EPSA IV PSC Contract for Area 47 Libya

2006

Awarded Oman Service Contract. **Increased production by 100%** within 5-years

2007

Discovered **352 MMBOE** hydrocarbon resources in Area 47 Libya; 90% exploration success ratio

2009

**LNG Sales Agreement signed** with Japanese & Korean buyers, gas to be supplied from Senoro-Toili Block

2010

Awarded **20 year extension** for 3 Indonesian PSCs (South Sumatra, Block A and Bawean)

2011

Obtained **Commerciality approval on Area 47, Libya**

Received **Final Investment Decision for Senoro-Toili** Gas and LNG projects

2013

Secured Project Financing for Senoro for **USD 260 million**

2014

Signed **GSPAs** with **MEPPOGEN, PAU** and **PLN** Tarakan

Secured **Project Financing for DSLNG** and **Sarulla**

2015

**Senoro** and **DSNLG** began production

**25 year of extension** for Karim, Oman

Signed **GSA** in Block A Aceh

2016

Acquired a 41.1% indirect interest in **AMNT**

Acquired a 40% Operatorship in the **South Natuna Sea Block B PSC**

Awarded **10 year extension on Lematang PSC** and increased holding to 100%



- 1Q17 oil and gas production of 91.4 mboepd compared to 64.5 mboepd in 1Q16.
- South Natuna Sea Block B, acquired at the end of 2016, contributed 23.8 mboepd in 1Q17.
- The Block A Aceh Gas Development reached 48.9% completion. Signed a project finance facility agreement with three international banks.
- MedcoEnergi won a US\$ 24.8 million arbitration award for its claims against Singapore Petroleum Ltd. and Cue Energy Pty Ltd.



- The Indonesian Government granted the conversion of AMNT's Contract of Work (CoW) into a Special Mining Permit (IUPK) in February 2017 and also extended its export license permit for one year.
- Acquired 44.3% shares in the Australian mining contractor company Macmahon through a shares to assets transaction.
- Macmahon has been awarded the life of mine contract by AMNT.



- MedcoPower signed the Operating and Maintenance contract for the the Sarulla phase I Geothermal Power plant, which began commercial production in 1Q17.
- MedcoPower won the tender to construct a 275MW IPP in Riau, PPA was signed in April 2017.



- 1Q17 Net Profit US\$43.1 million, compared to US\$10.2 million in 1Q16.
- Gross and Net margins improved year-on-year, with unit cash cost still < US\$10 at US\$ 8.1/BOE
- Revenue and EBITDA were up by 60.7% and 63.4% respectively on higher oil and gas prices.
- Debt reduced by 6% from year end 2016
- Raised Rp 1.66 trillion through phase IV and V of the shelf-registered IDR bond program



## Oil and Gas E&P

1Q16 1Q17 YoYΔ%

### Production

Oil, MBOPD	30.7	36.7	19.5
Gas, MMSCFD	197.6	292.0	47.8
Total Oil and Gas, MBOEPD*	64.5	91.4	41.7

### Lifting/Sales

Oil Lifting, MBOPD	18.9	27.3	44.4
Gas Sales, BBTUPD	202.1	288.6	42.8
Oman Service Contract, MBOPD	8.5	8.8	3.2

### Average Realized Price

Average Oil Price, US\$/barrel	30.6	51.6	68.5
Average Gas Price, US\$/mmbtu	4.1	5.5	32.9

\*Including Oman Service Contract



## Power

1Q16 1Q17 YoYΔ%

### Production°

IPP, GWh	330	435	31.8
Operation & Maintenance, GWh	2,089	1,912	(8.5)

### Average Realized Price

IPP, Cent/kwh	2.89	2.77	(4.2)
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## Mining

1Q16 1Q17 YoYΔ%

### Sales°

Copper Sold, Mlbs	142	94	(33.8)
Gold Sold, Koz	236	129	(45.4)

### Average Realized Price

Copper, USD/lbs	2.02	2.46	21.8
Gold, USD/oz	1,203	1,133	(5.8)

°Gross 100% interest

# Certified Reserve Base

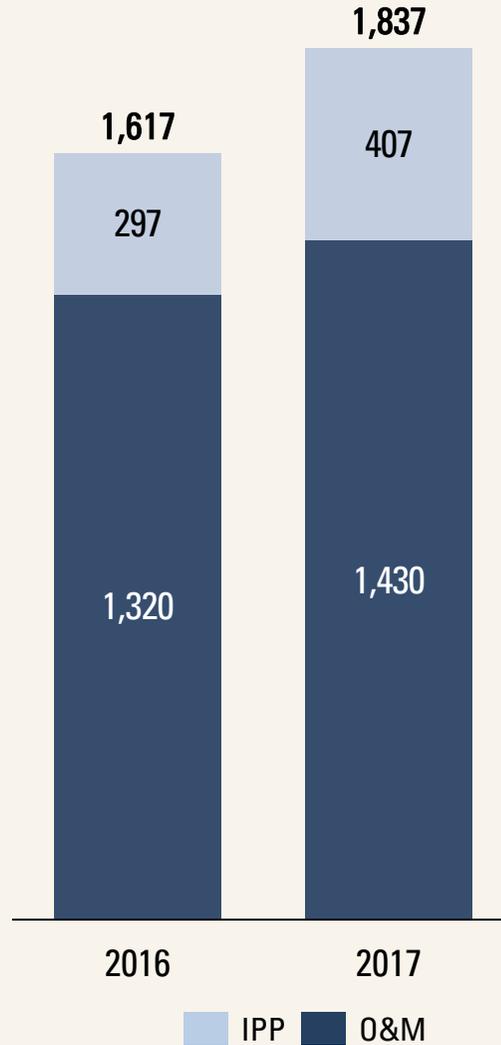


**Oil & Gas: Net 2P Reserves, MMBOE**

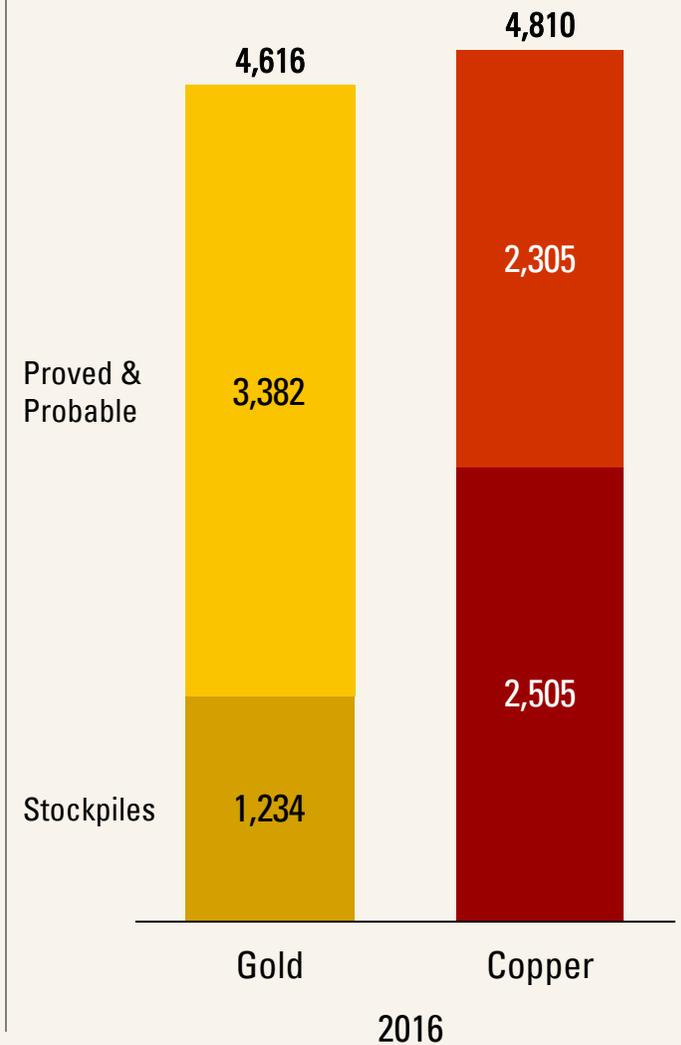
Life Index : 14 years



**Power: Gross Installed Capacity, MW**



**Mining: Gross Gold (Koz) and Copper (Mlbs) Reserves**

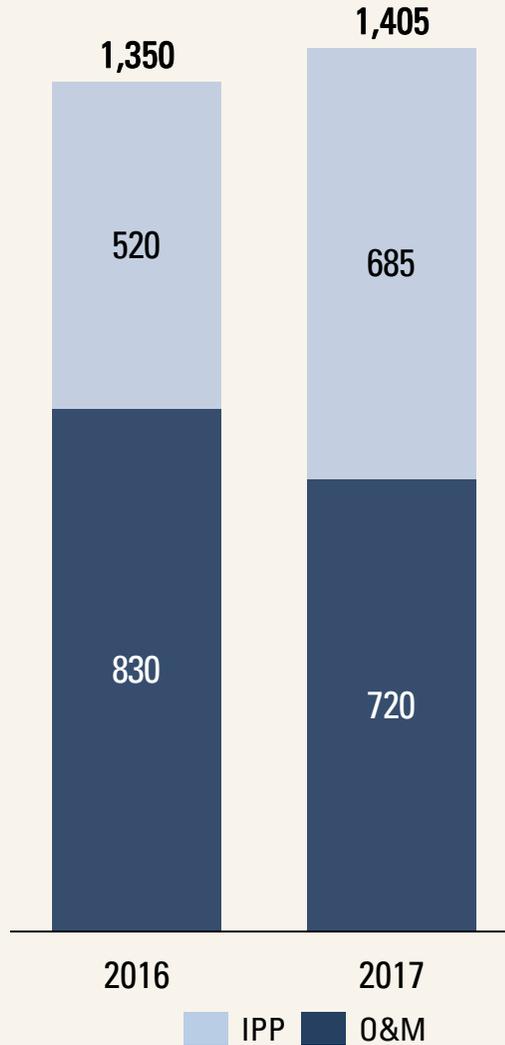




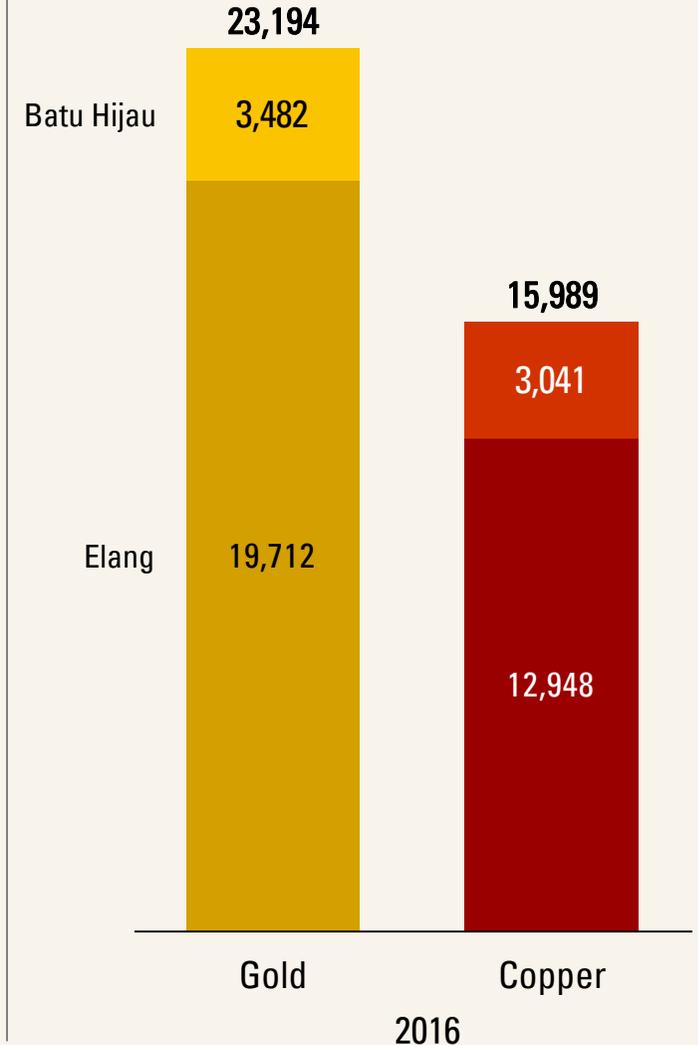
**Oil & Gas: Net Contingent Resources, MMBOE**



**Power: Gross Committed Projects, MW**



**Mining: Gross Gold (Koz) and Copper (Mlbs) Resources**



Profit & Loss (US\$ mn)	1Q16	FY16	1Q17
Revenue	130.8	583.0	210.3
Production & Lifting Costs	39.6	205.1	48.4
DDA	26.2	111.4	34.0
Gross Profit	60.2	246.8	105.1
S, G & A	20.3	94.7	30.8
Operating Income	40.0	152.1	74.3
EBITDA	66.2	263.5	108.2
Profit (Loss) before Tax	13.0	292.8	78.2
<b>Net Income</b>	<b>10.2</b>	<b>184.8</b>	<b>43.1</b>

Balance Sheet (US\$ mn)	1Q16	FY16	1Q17
Cash and cash equivalents	400.5	164.6	157.1
Investments	601.6	1,014.1	947.3
Fixed Assets	1,520.8	1,364.4	996.1
Total Assets	2,926.7	3,597.1	3,576.4
Total Liabilities	2,202.8	2,706.6	2,647.1
• Bank Loans	1,106.2	1,254.0	1,107.9
• Capital Market Debts	506.3	679.3	716.2
• Other Liabilities	590.3	773.3	823.0
<b>Equity</b>	<b>723.9</b>	<b>890.5</b>	<b>929.3</b>

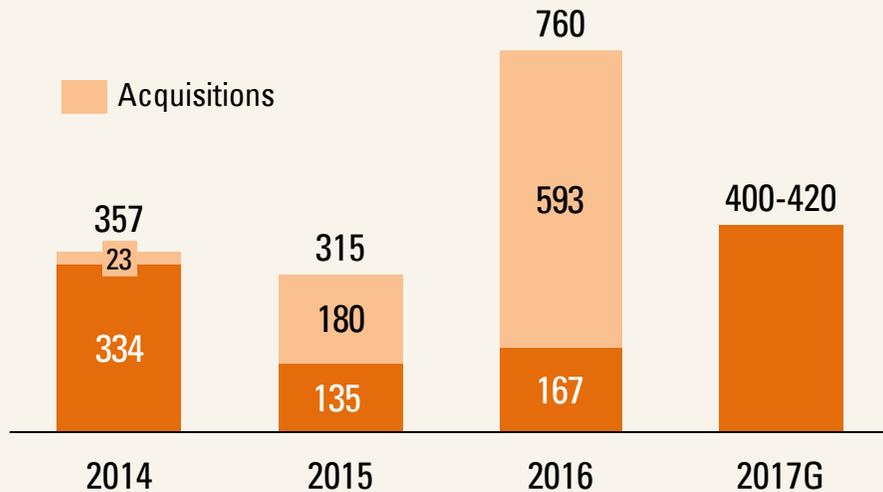
Financial Ratios (x)	1Q16	FY16	1Q17
Gross Margin	46.0%	42.3%	50.0%
Operating Margin	30.6%	26.1%	35.3%
EBITDA Margin	50.6%	45.2%	51.5%
Net Income Margin	7.8%	31.7%	20.5%

Financial Ratios (x)	1Q16	FY16	1Q17
Current Ratio	1.77	1.32	1.44
Debt to Equity	2.23	2.17	1.96
EBITDA to Interest	2.63	2.65	3.68
Net Debt to EBITDA <sup>°</sup>	4.58	6.71	3.85

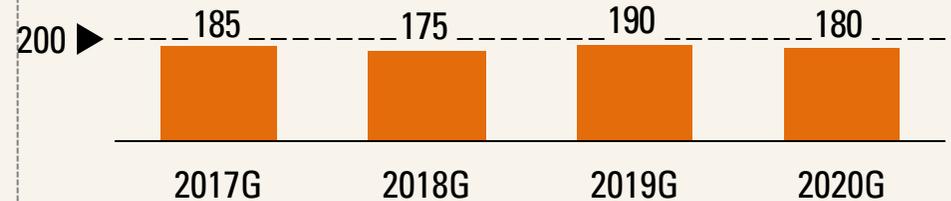
\*Restated 1Q16 and FY16 financial results

<sup>°</sup>Annualized

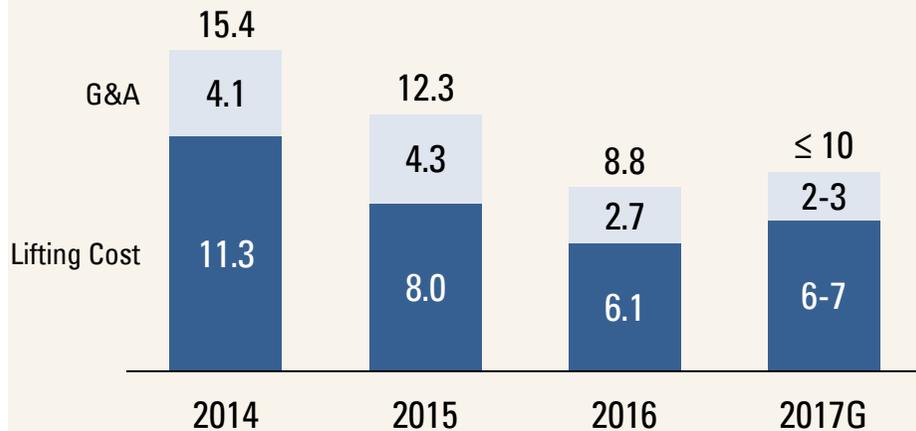
## Capex (US\$ mn)



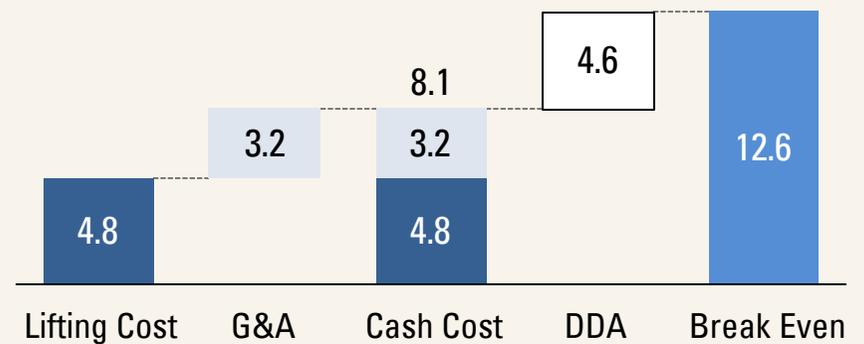
## Equity Funded Capex (US\$ mn)



## Oil&Gas Cash Cost/Unit\* (US\$/BOE)

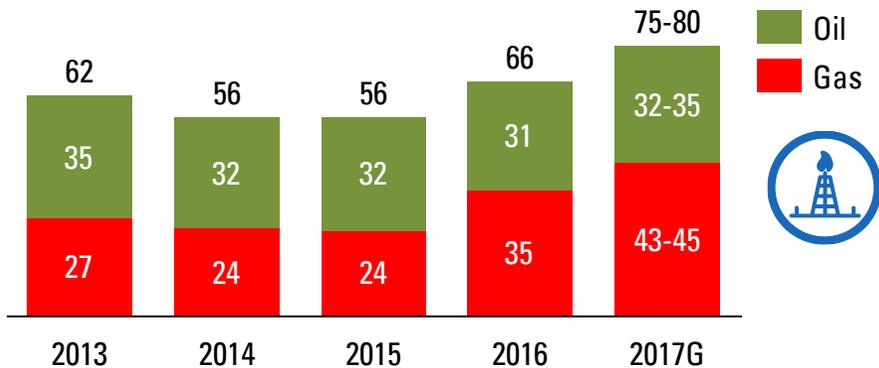


## 1Q17 Oil&Gas Total Cost\* (US\$/BOE)



\* Cash cost without Oman Service Contract

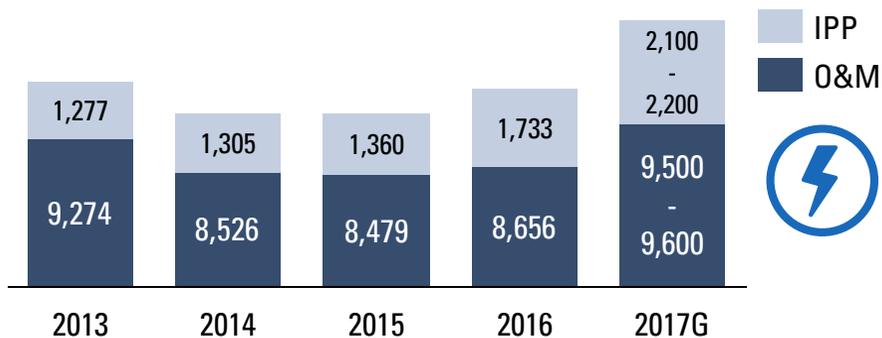
## Hydrocarbon Production (Net), MBOEPD



## Oil & Gas

- Complete Aceh development on schedule, on budget
- Monetise existing domestic discoveries
- Near field Exploration and cost recovery funded drilling and subsea developments
- Unit costs below \$10/boe through 2020
- Further Portfolio rationalization

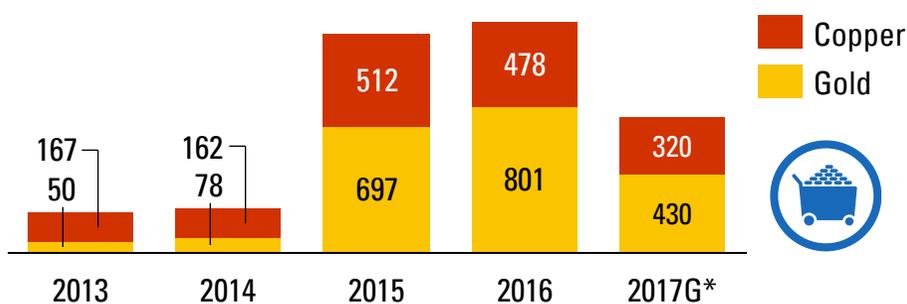
## Power Production – Gross 100%, GWh



## Power: MedcoPower

- Break ground on Riau EPC and complete Sarulla phase II
- Vertical integration of Upstream gas and onsite Gas IPPs
- New IPPs will focus upon Western Indonesia, medium sized gas and geothermal plants
- Expand profitable O&M services
- Portfolio rationalization

## Copper (Mlbs) & Gold (Koz) Production Gross 100%



## Mining: PT Amman Mineral Nusa Tenggara

- Enhancing operational efficiencies and implementing organizational optimization
- Aim to complete smelter feasibility study by end 2017. Funding through assets injection, project financing & strategic partner.
- Intensive drilling in Nangka and Elang to expedite ore recovery

\*Includes stockpile processing



Extensive experience in managing decline and controlling costs on maturing assets



## Rimau

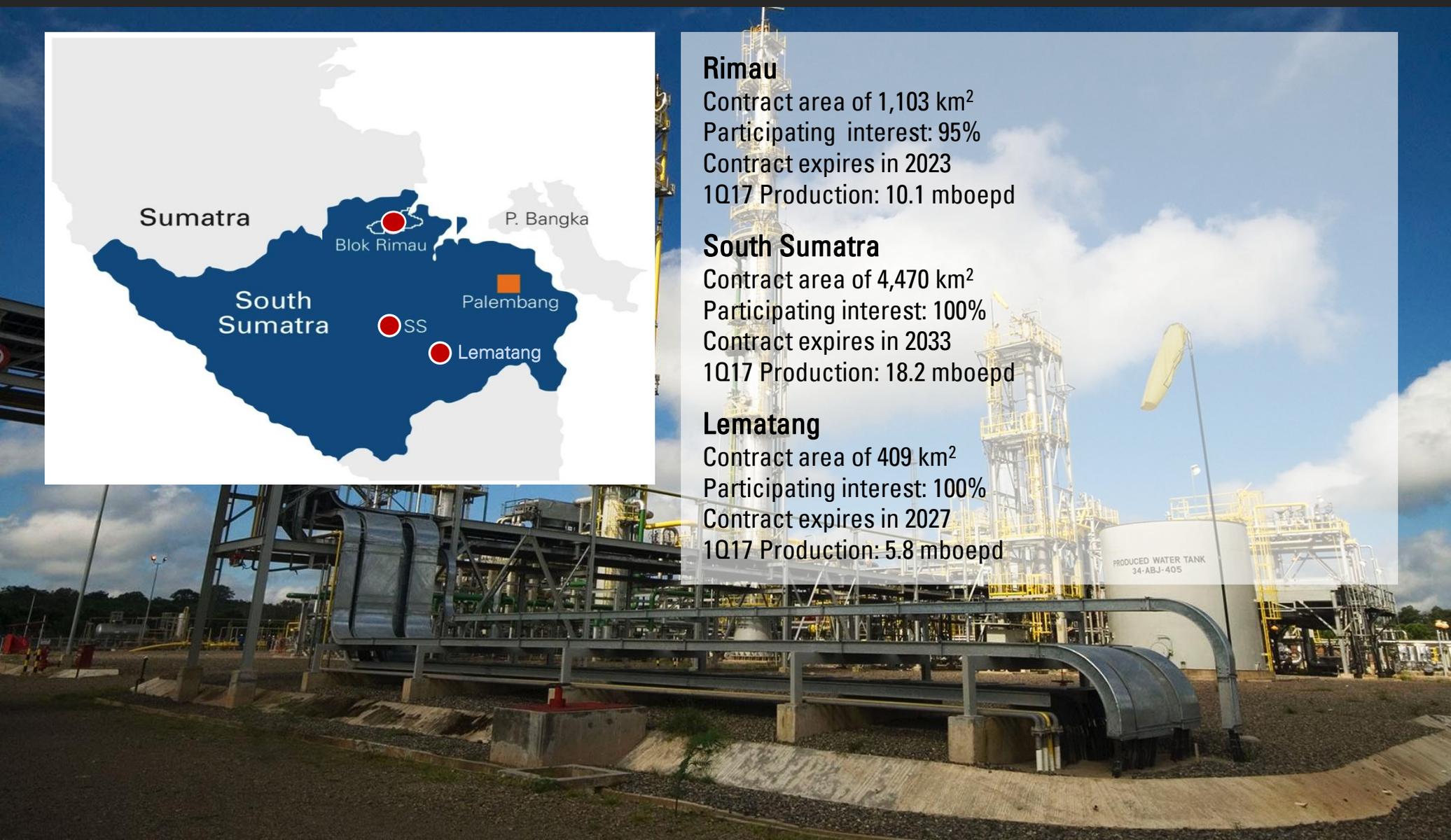
Contract area of 1,103 km<sup>2</sup>  
Participating interest: 95%  
Contract expires in 2023  
1Q17 Production: 10.1 mboepd

## South Sumatra

Contract area of 4,470 km<sup>2</sup>  
Participating interest: 100%  
Contract expires in 2033  
1Q17 Production: 18.2 mboepd

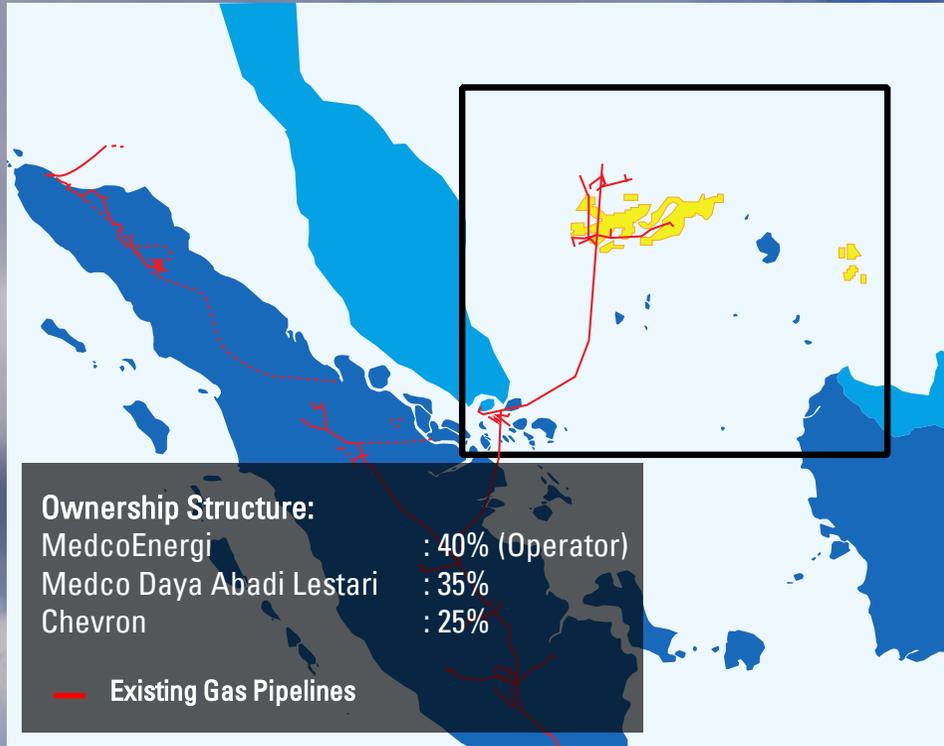
## Lematang

Contract area of 409 km<sup>2</sup>  
Participating interest: 100%  
Contract expires in 2027  
1Q17 Production: 5.8 mboepd





## Enhancing capabilities through the integration of world-class offshore operations



Offshore PSC in the South Natuna Sea, world class facilities, large hydrocarbon base (gross resources > 569 mmboe)

Acquisition completed November 2016, contract expires in October 2028

Medco Operates the PSC and the West Natuna Transportation System (WNTS)

1Q17 gross production 60 mboepd.

Strong net cash flow linked to attractively priced gas sales agreements into premium markets

Future near field exploration, subsea developments and production optimization will extend field life and optimize asset decline.



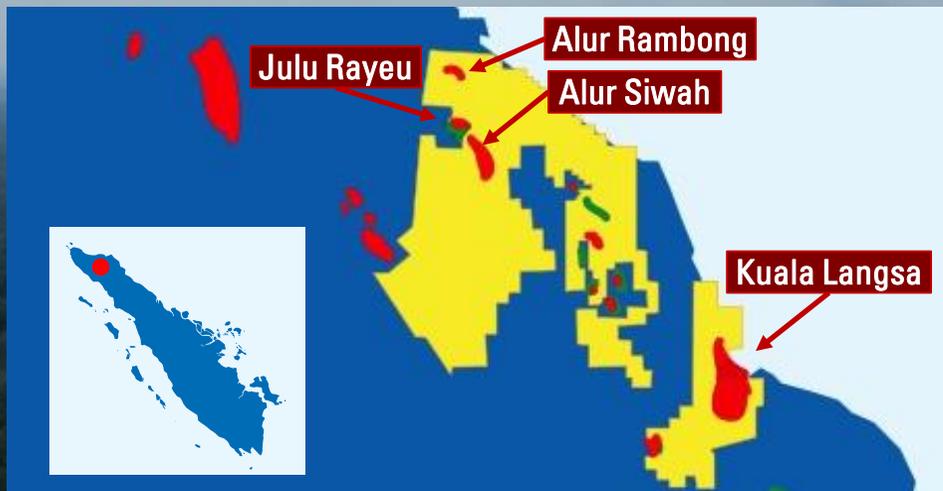
# South Natuna Sea Block B - Offshore Facilities

Integrated Offshore Production Systems Operated to the Highest Standard





Phase I will monetize 237 TBTU of gas and 5.17 MMBO of condensate for the domestic market



Medco Operated PSC. First gas 2018, PSC expiry 2031. Consolidated interest to 85%

Engineering, procurement, and construction over 48.9% completed as of June 2017

Secured a project finance facility agreement with three international banks in July 2017.

GSA with Pertamina over 58 BBTUD for 13 years

Proactive CSR engagement with local community

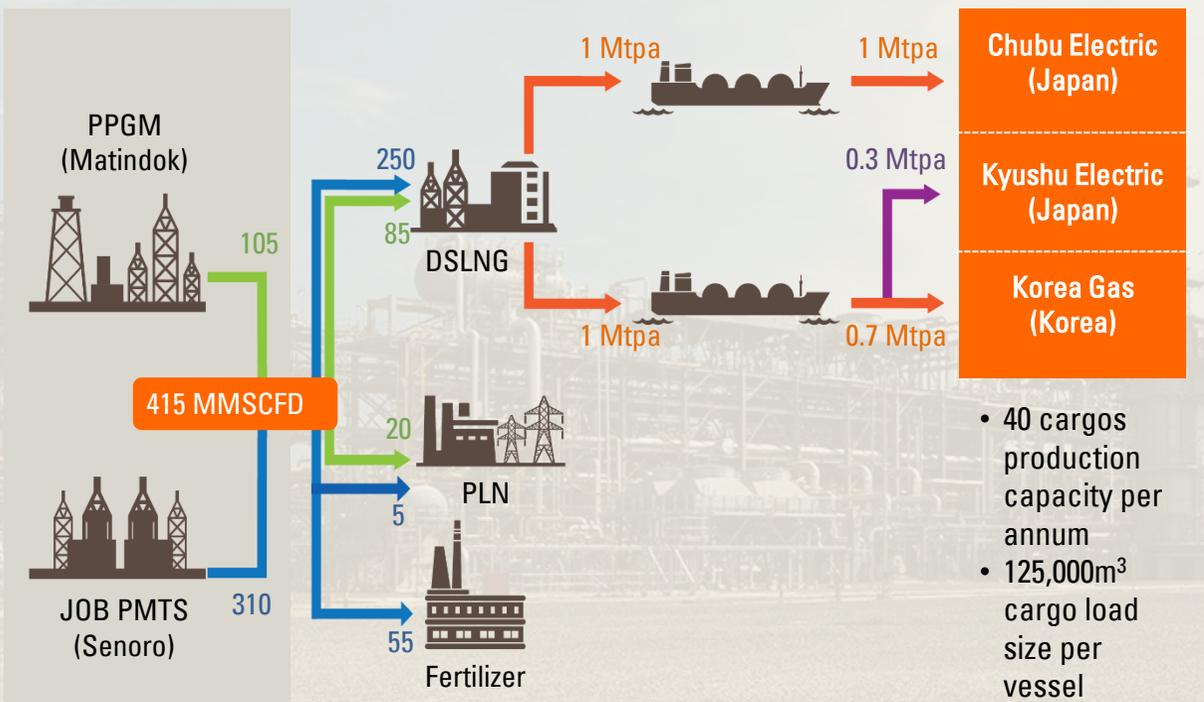
Phase II and III development of gas discoveries with resources of > 5TCF, enough to generate 1.5GW to support Sumatra electricity demand growth

### Ownership Structure:

- Medco E&P Malaka 85% (Op)
- KrisEnergy (Aceh B.V.) 15%



## Senoro Upstream/Downstream Value Chain



- 40 cargos production capacity per annum
- 125,000m<sup>3</sup> cargo load size per vessel



**30**  
Years  
1997 - 2027

**1.9** TRILLION CUBIC FEET

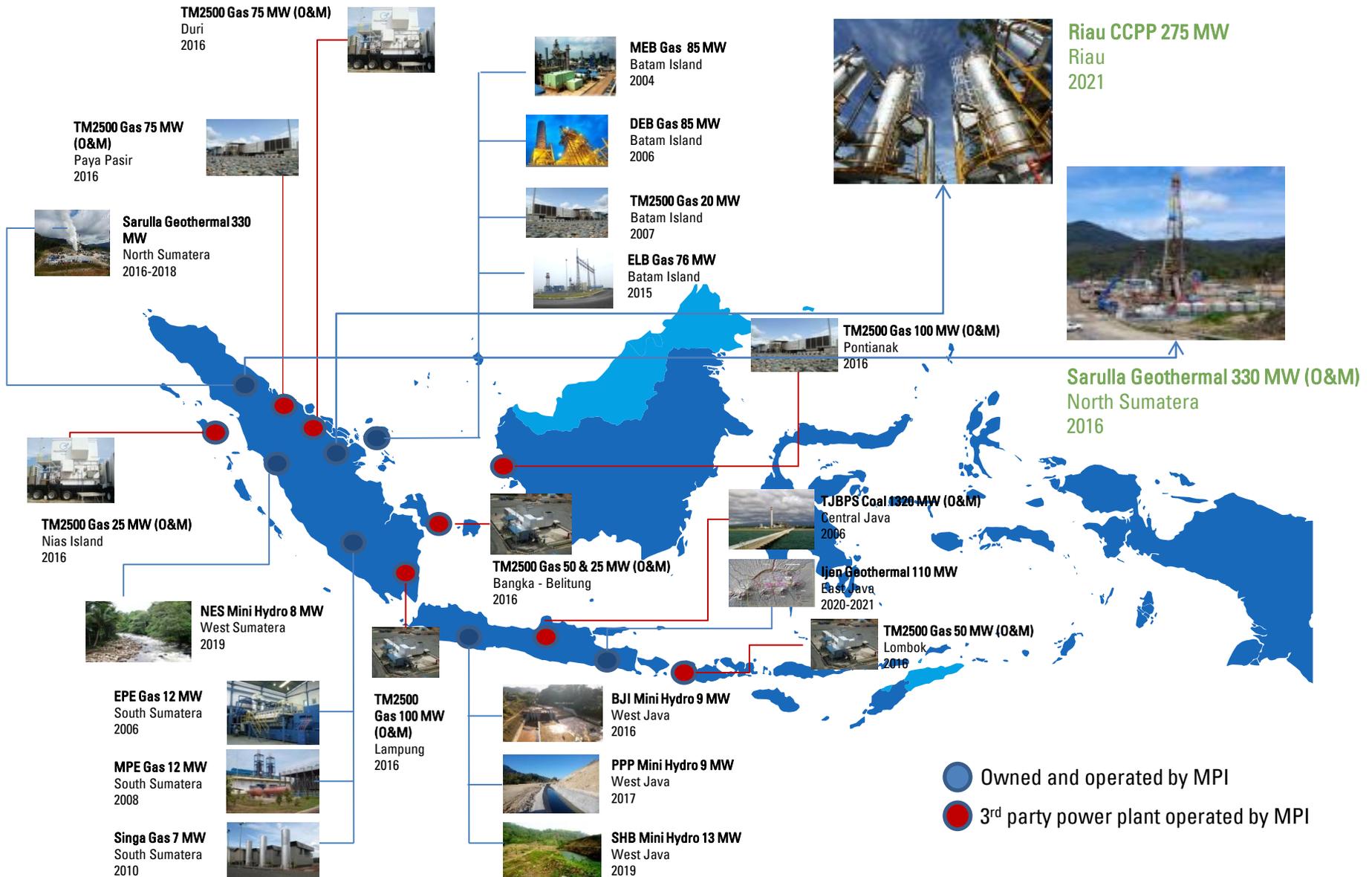
**12** Wells

Structure	Upstream WI	Downstream
MedcoEnergi	30%	11.1%
Pertamina	50%	29.0%
Mitsubishi & Kogas	20%	59.9%

Senoro Phase I production, 3Q15  
 Contract expires in December 2027  
 1Q17 gross production > 310 mmscfd  
 Gross proved reserve 1.4 TCF with additional 880 bcf third party certification  
 Senoro Phase 2 will increase production above 400 mmscfd



# Medco Power Generation: Asset Portfolio





# Sarulla: Phased Geothermal Power Developments

The largest single-contract geothermal power project in the world

Phase I 110MW, commercial operation March 2017

Phase II and III CoD late 2017/2018 and 2019.  
Total contracted capacity of 330MW.

30 years Energy Sales Contract with PLN with  
Take or Pay 90% capacity factor. MPI provides  
plant O&M.

Partners INPEX, ORMAT, ITOCHU and KYUSHU

Investment cost of US\$1.6 billion with secured  
project financing with JBIC, ADB, and 6  
commercial banks

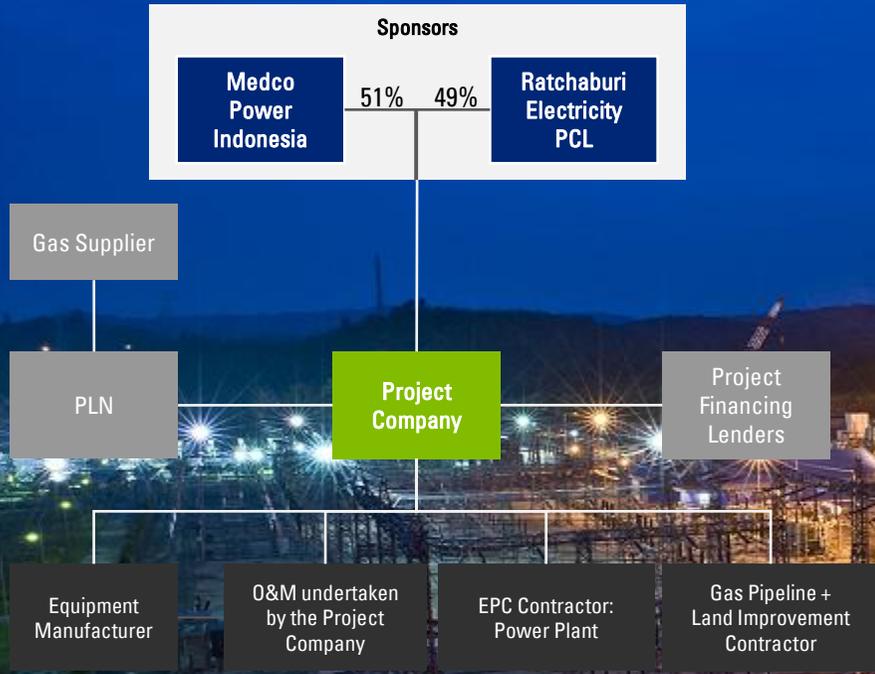




# Riau Combined Cycle Power Project

## Recently Awarded 20 years PPA Powering Areas Close to E&P Operations

### Project Structure



### Project Description

Project Location	Riau, Sumatera Island
Capacity	275 MW
Estimated COD	2021
Current Status	PPA signed in April 2017
Estimated Gross Capex	US\$270 million

### Project Milestone





Access to world-class Mining operations with long term upside



Transaction completed: 2 November 2016

Copper and gold mine in Sumbawa, Nusa Tenggara, established under 4th generation COW expiring in 2030, extendable 2x for 10 year period each. Converted into IUPK in Feb 2017

1Q17 production: 62 Mlbs copper, 50 Koz gold

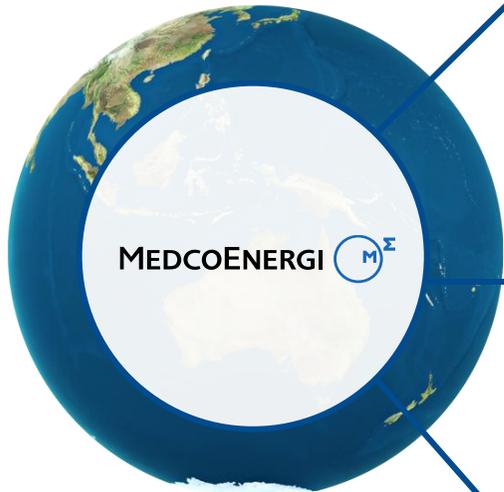
2016 Reserves (Proven + Probable):

4,810 Mlbs copper + 4,616 Koz gold.

2016 Resources (Measured + Indicated + Inferred):

3,041 Mlbs copper + 3,482 Koz gold

Potential Development: Elang with est. resources 12,945 Mlbs copper, 19,712 Koz gold with potential to produce 300~430 Mlbs copper and 350~600 Koz gold



## Creating Value

- 1Q17 production results exceeded full year guidance, up by 41.7% to 91.4 mboepd compared to 1Q16
- Gross and Net margins improved, to 50% and 20.5% respectively and Annualized Net Debt/EBITDA improved to 3.85x
- AMNT's CoW to IUPK conversion approved, extending its export license permit by a year

## Delivering Value

- 1Q17 Revenue and EBITDA up by 60.7% and 63.4% respectively on higher volumes and lower costs
- Block A, Aceh Development now 48.9% complete
- Sarulla phase I began commercial production
- Share price up by 165.2% during 1Q17

## Looking Forward

- Extract operational efficiencies from acquisitions
- Maintain E&P unit cash cost below \$10 per boe
- Monetize discovered reserve and resource base
- Build out the AMNT mine plan
- Further portfolio rationalization and deleveraging
- Deliver long term balanced returns to Shareholders and Lenders



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